

DHEC'S EXHIBIT 3



C. Earl Hunter, Commissioner

Promoting and protecting the health of the public and the environment.

June 23, 2004

Ms. Patsy Land
Total Environmental Solutions, Inc.
2299 Dr. Johns Rd.
Westminster, SC 29693

CERTIFIED MAIL
7001 0320 0005 3742 8529

Re: Sanitary Survey of Drinking Water System Number 3750025
Foxwood Hills Subdivision; Oconee County, South Carolina

Ms. Land:

On June 8, 2004, the Department conducted a sanitary survey inspection on the Foxwood Hills Subdivision public drinking water system. Participants in the survey were:

Patsy Land	Total Environmental Solutions, Inc. (TESI)
Rob Burgin	TESI consulting engineer
Doug Kinard	SC DHEC Bureau of Water
Ray Peterson	SC DHEC Bureau of Water
Fred Taylor	SC DHEC Bureau of Water
Richard Phillips	SC DHEC Appalachia I EQC
Swain Still	SC DHEC Appalachia I EQC
Chris Eleazer	SC DHEC Appalachia I EQC

Enclosed within this package you will find copies of both of the actual inspection report and the detailed written survey. The survey contains a brief system description, a list of problems found and our requirements to bring the system into compliance. **Persons responsible for the operation and maintenance of the water system should promptly review both reports and submit a written response to this survey by July 12, 2004. The written response should include a reasonable schedule of completion for all items mentioned.** A follow up inspection will be conducted approximately 60 days after the certified mail return receipt signature.

There were many items that did not meet the minimum requirements of the South Carolina State Primary Drinking Water Regulations. Some of these items have been noted on previous surveys and were addressed at the time of the most recent survey (April 3, 2003). This system has not been in compliance for a significant period of time and is currently under a Consent Order issued by the Bureau of Water Enforcement Section and executed by Commissioner Earl Hunter. It is very important that Total Environmental Solutions, Incorporated realize the seriousness of these continuing problems and continue to work towards a fast, yet satisfactory, resolution. It should be expected that the schedule of completion, along with the enforcement action requirements, will be strictly enforced.



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It is very important that you supply the Department with written notification of any item that you will not be able to address by the required date for either the signed Consent Order schedule of compliance or your schedule of completion. Once we receive a request we will make a decision on a case-by-case basis.

System Description

Total Environmental Solutions, Incorporated (TESI) operates a potable water system at Foxwood Hills Subdivision (System Number 3750025) in Westminster, South Carolina, which includes a distribution system serving approximately 1231 residents via a total of 712 taps. Of the 712 total connections, 535 are active residential and 11 are non-residential. The remaining taps are not active. The system obtains all potable water from the Westminster CPW water treatment plant (Source Identification 3710003). One six-inch turbo master meter serves the entire distribution system of Foxwood Hills.

Findings and Recommendations

1. Flow Meter (Item 6): The master meter is controlled and maintained by Westminster CPW. At the time of the inspection Department personnel inquired about the make and model for the meter. Ms. Land stated that she would find out some information for us at her earliest convenience but at the time of this writing I have yet to hear from her. Please obtain the information regarding the master meter as soon as possible and forward all information to me.

Rating: Needs Improvement

2. Adequate Pressure and Emergency Plan (Items 14 and 37): According to telephone calls received from residents within Foxwood Hills there was a system-wide loss of pressure on December 24, 2003. After receiving the call I spoke with Patsy Land and asked for additional information. Ms. Land confirmed that there was a system-wide loss of pressure and that many residents were without water for a substantial period of time. This telephone conversation occurred on January 20, 2004, and was documented for the Appalachia I EQC file. TESI also failed to notify residents through all acceptable outlets (media, telephone, door-to-door notice, etc.) of the situation and to issue a Boil Water Advisory. TESI also failed to notify the Department of the situation. It is required that all parties be notified during these situations. **Failure to administer the proper notification to all parties in the future will result in a referral to the enforcement section.** For additional assistance please see the guidance documents on the internet at www.scdhec.gov/water/pubs/boilwtr.pdf.

Rating: UNSATISFACTORY (for both items)

3. Fire Flow (Item 15): South Carolina regulations require that all fire hydrants be tested for fire flow and static and residual pressure a minimum of once every three years. Records must be kept for each hydrant showing results of the test. During the inspection,



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no records were available to indicate that the hydrants had been tested within the last three years. Since the December 12, 2001, survey all hydrants have been removed from service and are used for flushing only.

Rating: Not Applicable

4. Cross Connection Control (Item 16): The purpose of a cross connection control program is to ensure that a system has a viable program in place to identify and eliminate all cross connections between the public water system and any possible source of contamination. The program should be detailed and should include how the system intends to identify existing cross connections and prevent new cross connections from being created in the future. The cross connection control program should also include how to identify and protect the system from in-ground irrigation systems. All records must be kept on file and be available for Departmental review. Contact John Watkins (SCDHEC Bureau of Water Cross Connection Control Program) for assistance in establishing a program. He can be reached at (803) 898-3567.

Rating: UNSATISFACTORY

5. Valve / Hydrant Maintenance (Item 17): Currently there is no specific valve maintenance program in place. A detailed schedule should be created and available for Departmental review. It is extremely important to have properly operating valves in place in case a portion of the distribution system must be isolated to repair a broken water line. The goal of a valve-controlled distribution system is to isolate as few taps as possible when repairs are made. Once all valves are located or placed in the system it is also important to perform regular inspections and preventive maintenance. This will help to increase the life of the valves.

If the valves cannot be located then they should be installed at the appropriate points in the distribution system. Once the valves are located or placed the following items need to be recorded and available for Departmental review:

- An updated system map indicating the location and identification of all valves
- Documentation of valve types, date of last exercise, number of turns to close, and a record of maintenance work for each valve
- A schedule for regular exercise and routine maintenance
- Documentation that valves are being exercised in accordance with the valve maintenance plan and that necessary maintenance is being performed

Rating: Needs Improvement

6. Flushing Program (Item 18): A proper flushing program is needed by a system to insure that areas with water quality problems are addressed. All areas that have a consistently low chlorine residual or other quality problems should be flushed on a regular or as-needed basis. It is important to have a trace amount (minimum) of chlorine in each line



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to insure that proper disinfection is occurring. Flushing is also important to scour the distribution system in an attempt to remove any sediment or biofilm accumulation. Records should be kept on site and available for Departmental review. Current flushing records lack much of the required information, including the chlorine residuals.

Continue to improve the flushing program and be sure to maintain records for all actions / procedures taken, including routine flushing. Identify "problem" areas within the system (i.e.—dead end lines, stagnant areas, etc.) and establish a specific schedule for flushing these points. Be sure to include chlorine residuals with the records as required by the regulations.

Rating: Needs Improvement

7. Leak Detection and Repair (Item 19): Leak detection is being conducted by monitoring the master meter flow reading, which is checked daily, and looking for abnormalities. There are no meters on any connections. Be sure that there is a detailed section in the Operations and Maintenance (O&M) manual that explains how personnel monitor for leaks.

Rating: Satisfactory

8. Storage Capacity (Item 23): The capacity for the system is adequate according to Department calculations but the tank is not able to be used in a reliable manner due to hydraulic problems in the system design. The problem is currently being investigated by Rob Burgin, P.E., as part of the executed Consent Order.

Rating: Needs Improvement

9. Storage Security (Item 25): A ladder was observed lying on the ground below the tank and the vault for the valves was unlocked at the time of the inspection. All ladders and other items that can be used to climb or compromise the storage tank (unlocked ladders and ladder guards, holes in fence, loose or missing barbed/razor wire, valve cover lock missing, improperly installed barbed/razor wire, etc.) should be addressed immediately. Failure to do so could allow easy access to the top of the tank or to the operating system valves. According to the Department of Homeland Defense and current South Carolina regulations, top priority should be placed on correcting these security issues.

Rating: UNSATISFACTORY

10. Storage Bypass / Drain / Tap (Item 26): A concrete pad should be poured below the overflow pipe to help with erosion problems that may occur when the tank is discharging excess water. Erosion can be a serious problem around elevated tanks because the water could undermine the footings.

Rating: UNSATISFACTORY

11. Tank Maintenance (Item 27): **Recommended maintenance has not been performed and the tank is not currently in service.** The exterior of the tank needs to be repainted



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and the interior of the tank needs to be inspected and repainted, if necessary. All paint coatings that come in contact with potable water must be certified as meeting the specifications of the American National Standard Institute / National Sanitation Foundation International (ANSI / NSF) Standard 61, Drinking Water System Components – Health Effects. Concerns were expressed to Department personnel that the exterior of the tank was painted using a lead-containing paint.

Rating: UNSATISFACTORY

12. Certified Distribution Operator (Item 28): Foxwood Hills currently does not have a certified distribution operator on staff or available that meets the minimum requirements. Since this system is rated for 1.0 million gallons per day (MGD) a minimum distribution operator grade of C is required. Currently Ms. Land is the only distribution operator for the system. Ms. Land's license number is D01045 and expires on June 30, 2005. The licensing authority in South Carolina is the Department of Labor, License, and Regulation. They can be reached at (803) 896-4300.

Rating: Needs Improvement

13. Procedures Manual (Item 35): An O&M manual was available during the inspection but it was lacking in several areas. These areas were listed in the previous sections of this letter. Ms. Land stated that the updated version of the manual had been destroyed in an office fire that occurred on August 3, 2003. The compliance schedule in the signed and executed Consent Order required a newly revised manual to be completed. Ms. Land said that this manual will be completed by a July 5, 2004, deadline and she will contact the Department for review once available. Be sure to include an updated contacts list with telephone numbers and a revised and up-to-date emergency plan.

Rating: Needs Improvement

Conclusions

Personnel with the Department of Health and Environmental Control conducted a sanitary survey at Foxwood Hills Subdivision to evaluate the system's overall ability to provide residents with a continuous supply of safe drinking water. At the time of the evaluation, numerous items were noted as being inadequate. Those items were given a rating of Unsatisfactory (U) or Needs Improvement (I), thus contributing to the system's overall rating.

Based on your survey I am issuing this system an overall **UNSATISFACTORY** rating. Additional information, including the current State Primary Drinking Water Regulations (R. 61-58), is available at the SCDHEC website at www.scdhec.net/water/ or at www.myscgov.com.

Sincerely,

Christopher Eleazer
Drinking Water Section Manager



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Environmental Manager II
Appalachia I EQC

Cc: Valerie Betterton, SC DHEC BoW Enforcement Division Director
Karen Ramos, SC DHEC BoW DW Enforcement Manager
Joe Rucker, SC DHEC BoW Assistant Bureau Chief
Doug Kinard, SC DHEC BoW DW Compliance Section Manager
Ray Peterson, SC DHEC BoW DW Permitting Section
Tommy Rogers, SC DHEC Appalachia I EQC District Director
Richard Phillips, SCDHEC Appalachia I EQC District Engineer

SCDHEC

Public Water System Inventory Report Form

Bureau of Water

System Name: TESI/FOXWOOD HILLS

System Number: 3750025

Fax Number: NONE

(A)dd, (M)odify, (R)enum, (D)elete: ☒ MReason: Sanitary SurveyToday's Date: 6/8/04

Mailing Address:

TOTAL ENVIRONMENTAL SOLU
2299 DOCTOR JOHNS ROAD
WESTMINSTER, SC 29693

Telephone: (864)647-9514

Geographical/Contact Address (if different):

PATSY LAND
2299 DR JOHNS RD
WESTMINSTER, SC 29693Emergency Telephone: ~~(800)372-9712~~ 800 372-9712
Contact Telephone (800)372-9712

System Characteristics

System Type.... C	Inact Code.....	Service Area.... R1	Season On (mo/day)..... 01/01
Subtype.....	Inact Date (mo/yr)....	Counties Served:	Season Off (mo/day)..... 12/31
Owner Type.... PRIV	Begin Date (mo/yr)... 11/1988	37	

Statistical Information

Source Use Information:

Percent Surface Water.....	0
Percent Ground Water.....	0
Percent Purchased Surface Water...	100
Percent Purchased Ground Water...	0

Total must equal 100%

Number of Surface Water Sources...	0
Number of Ground Water Sources....	0
Purchased Surface Water Sources...	1
Number of Permanent SW Sources...	0
Number of Emergency SW Sources...	0
Number of Permanent GW Sources...	0
Number of Emergency GW Sources...	0

Service Population:

Population.....	4682 1231
Secondary Population.....	0

Number of Service Connections:

Active.....	535	> Total ... 712 712
Residential.....	690	
Non Residential.....	11	
Maximum Allowable.....	556	
Permitted.....	0	

Production (MGD):

Average.....	0.1335 0.1458
Maximum Day.....	0.2008 0.2187

Capacity:

Total.....	1.44
Emergency.....	0.0000

Storage:

Elevated (MG).....	0.100
Ground (MG).....	0.000
Pressure (TG).....	0.000

Comments

Active taps = 546
Active residential = 535
Active non residential = 11

JUL 01 2004

Signature: _____

COMPLIANCE ASSURANCE
DIVISION

June 8, 2004

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SFA
and

SCDHEC
Bureau of Water

Public Water System Source/Plant Inventory Report

System Name: TESI/FOXWOOD HILLS

System Number: 3750025

Source ID: P37108

(A)dd, (M)odify, (R)enum, (D)ete: ☒ M

Reason: Sanitary Survey

Today's Date: 6/8/04

General Information

Location NONE

Source Name N/A

Receiving Plant .. N/A

Plant ID N/A

Availability Code P

Latitude NONE

Longitude NONE

Source Code P

Purchased Source Information

System Number Metered From ... 3710003

System Name Metered From WESTMINSTER CPW

Average Use (MGD) ~~1.35~~ 0.1458

Total Capacity (MGD) 1.44

Number of Meters 1

Treatment Codes

N9960

Comments

New master turbo meter 6" 2350 gpm installed on February 2004.

Signature: _____

SCDHEC

Bureau of Water

Public Water System Sanitary Survey Report Ground Water Systems

System name: TESI/FOXWOOD HILLS

System number: 3750025

Last Survey: 04/03/2003

Survey Date: 6/8/04

SOURCE:

1. Quantity..... S
2. Protection from Contam.. N
3. Security..... N
4. Wellhead Piping..... N
5. Pumps..... N
6. Flow Measuring Device... ~~SI~~ I

WATER TREATMENT:

7. Filtration*..... N
8. Equipment Maintenance*.. N
9. Chemical Storage & Hand.. N
10. Chemical Feed*..... N
11. Chemical Injection Points* N

DISTRIBUTION:

12. Water Quality..... S
13. Operation & Control..... S
14. Adequate Pressure..... ~~SI~~ LI
15. Fire Flow..... N
16. Cross Connection Control ~~SI~~ LI
17. Valve/Hydrant Maintenanc ~~SI~~ I
18. Flushing Program..... ~~SI~~ I
19. Leak Detection and Repair ~~SI~~ S
20. System Map..... S
21. Sample Siting Plan..... S
22. Disinfectant Residual*... N

STORAGE:

23. Capacity..... ~~SI~~ I
24. Sanitary Protection..... ~~SI~~ S
25. Security..... ~~SI~~ U
26. Appurtenances..... ~~SI~~ S
27. Maintenance..... ~~SI~~ U

OPERATIONAL CONTROL:

28. Certified Operator/Staffing* ~~SI~~ I
29. Testing Equipment*..... S
30. Monitoring/Records..... S

GENERAL O & M:

31. Plant Security*..... N
32. Facility Maintenance..... S
33. Supplies/Spare Parts Inv.. S
34. Waste Disposal*..... N
35. Procedures Manual..... ~~SI~~ I

EMERGENCY OPERATION:

36. Stand-by Power..... N
37. Emergency Plan..... ~~SI~~ LI
38. Drought Response Plan**.. N/A

CONSUMER CONFIDENCE REPORTS:

39. CCR (Y/N)..... S

A. System Group (I - V)..... I

B. Operator Grade

- A..... 0
- B..... 0
- C..... 0
- D..... 0
- T..... 0

C. Dist. Group (I - V).....

D. Distribution Operator Grade

- A..... 0
- B..... 0
- C..... 0
- D..... 1
- T..... 0
- G..... 0

E. Field Tests

- Chlorine..... ~~SI~~ B
- pH.....
- psi.....
- Other.....

S. Samples Taken

- Bacteriological..... ~~SI~~ B
- Inorganic.....
- Organic.....
- Radiological.....
- Other.....

F. Type Inspection/Visit... GW ROUTINE

G. Are all services metered?..... N

Percent metered.... 0

H. Is system presently under order?.... N

If Yes, is system complying w/order

I. Follow up scheduled?..... Y

Date scheduled.... 08/15/2003 60 days

J. Overall Rating..... U ~~SI~~ signed

K. Operator/Owner present?..... Y

Overall Rating: Unsatisfactory

*Applicable for treated systems only.

**Applicable for part 1 and 2 systems only.

This form represents neither a final approval of the water system, nor an approval to operate the system.

SCDHEC

Bureau of Water

Public Water System Sanitary Survey Report Ground Water Systems

System name: TESI/FOXWOOD HILLS

System number: 3750025

Last Survey: 04/03/2003

Survey Date: 6/8/04

Comments

DHEC Rep: ELEAZER, C Distribution Operator Grade: T(1)

6. Size and type of master meter is unknown by TESI personnel. Please find exact specifications of meter—make, model, flow, size, etc.
- 14 + 37. There was a reported loss of pressure earlier in 2004 by two residents of Foxwood Hills. TESI failed to notify the residents of the subdivision + failed to notify the Department. Ms. Land confirmed the loss of pressure occurrence in a telephone conversation with me earlier in the year.
15. All hydrants are used for flushing purposes only.
16. TESI does not have a detailed, formal plan for cross connections with the potable water system. This plan needs to be specific and should address in-ground irrigation systems.
17. A specific valve maintenance plan should be drafted and placed into operation. Department personnel will review this plan. Be sure to maintain all records on site.
18. A proper flushing program is needed by this system. Patry said during the survey that they (TESI) check chlorine residuals before and after flushing but records indicate that chlorine has not been checked.
19. Update O+M manual to show how system searches for + repairs leaks, etc.
23. Capacity for tank is mathematically correct but tank is not in use due to hydraulic problems. Continue to work on placing tank back into operation.
25. Lock on valve pit needs to be installed and secured at all times. A loose section of ladder was observed below the tank. This must be secured.
28. Patry is currently certified with a grade of D. This system requires a C distribution operator because it is rated at 1.0 MGD.

RECEIVED

Chris Eleazer
DHEC Representative

Patry Lashley
System Representative

Manager
Title

27. Maintenance has not been performed on tank and it is not in operation.
35. Make sure that all items are in the updated O+M manual. Patry says this will be available July 5, 2004.

June 8, 2004

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